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SECRETARY OF STATE

STATE OF TENNESSEE
DEPARTMENT OF FINANCIAL INSTITUTIONS
OFFICE OF THE COMMISSIONER

DEPT. OF FINANCIAL INSTITUTIONS,)	
COMPLIANCE DIVISION,)	
)	Docket No. 03.00-098664J
Petitioner,)	
)	
v.)	
)	TDFI No.: 08-15-C
LIMUEL TILLMAN DBA)	
AAA AUTO TITLE PLEDGE,)	
)	
Respondent.)	

AGREED ORDER OF DISMISSAL

This matter is before Leonard Pogue, Administrative Judge, assigned by the Tennessee Secretary of State, Administrative Procedures Division, and sitting for the Commissioner of the Tennessee Department of Financial Institutions (hereinafter, "Commissioner"). It appearing that the parties have agreed to resolve this contested case by the entry of this Agreed Order, and that in support thereof the parties make the following representations, as evidenced by the signatures below:

1. This matter constitutes a "contested case" within the meaning of Tenn. Code Ann. § 4-5-102(3). Both the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101, *et seq.*, and the Uniform Rules of Procedure for Hearing Contested Cases Before State Administrative Agencies, Chapter 1360-4-1 of the Official Compilation Rules & Regulations of the State of Tennessee, are applicable to this matter.

2. This contested case was properly transferred to the Administrative Procedures Division for consideration and resolution pursuant to Motion of the

Tennessee Department of Financial Institutions (hereinafter "Department"), filed on or about April 15 2008.

3. Tennessee Code Annotated Section (hereinafter, "Tenn. Code Ann. §") 45-1-104 provides that the Commissioner, through the Department, is charged with the execution of all laws relative to persons doing or engaged in a banking or other business as provided in Title 45. Under that authority, the Commissioner is responsible for the administration, enforcement, and interpretation of the Tennessee Title Pledge Act (hereinafter, "Title Pledge Act"), as amended, at Tenn. Code Ann. §§ 45-15-101 *et seq.*

4. The Department's Compliance Division (hereinafter, "Division"), is the lawfully designated representative through which the Commissioner regulates title pledge lenders and the business of title pledge lending in this state.

5. Limuel Tillman (hereinafter, "Tillman") is a natural person who has at all times relevant hereto been engaged in title pledge lending as "AAA Auto Title Pledge" at 5273 Navy Road, Millington, Tennessee 38053 (hereinafter, "Millington Location").

6. On or about February 13, 2006, the Department issued Tillman license number 1357 to operate a title pledge business at the Millington Location. Later, in 2006, the License was renewed for the period November 1, 2006 through October 31, 2007.

7. The License expired on October 31, 2007 after Tillman failed to timely file an application to renew it.

8. On or about November 21, 2007, Tillman submitted an application for a new title pledge lender license. Said application was approved on or about December 14, 2007, on which date the Department issued Tillman a new title pledge license, which was numbered 1889.

9. On or about January 18, 2008, the Division had one of its examiners complete a compliance examination (hereinafter, "Examination") of Tillman's business at the Millington Location, pursuant to Tenn. Code Ann. § 45-15-108(b), for the purpose of evaluating compliance with the Title Pledge Act.

10. On or about January 18, 2008, the compliance examiner completed a Report of Examination (hereinafter, "Report") in which Tillman was cited for conducting unlicensed title pledge lending between November 1, 2007 and December 13, 2007, in violation of Tenn. Code Ann. § 45-15-105(a). The examiner specifically documented twenty-five (25) title pledge transactions conducted in violation of the statute, each transaction constituting a separate violation, pursuant to which Tillman collected one thousand six hundred fourteen dollars and twenty-five cents (\$1,614.25) in fees and interest.

11. On or about March 4, 2008, the Division served Tillman with a Notice of Charges, thereby initiating the present administrative action against Tillman for the twenty-five (25) violations of Tenn. Code Ann. § 45-15-105(a) referenced in paragraph ten (10), above. On or about March 18, 2008, Tillman requested in writing a hearing on the allegations raised in the Notice of Charges.

12. In the interests of cooperation, and to avoid further costs associated with administrative and judicial proceedings with respect to this matter, the Division and Tillman agree to settle this contested case by Agreed Order. In return for the consideration promised by Tillman below, and upon his full performance thereof, the Division agrees to dismissal of its administrative action.

13. With respect to the twenty-five (25) violations of Tenn. Code Ann. § 45-15-105(a), Tillman hereby promises to:

- a. Refund directly to his customers, within thirty (30) days, the one thousand six hundred fourteen dollars and twenty-five cents (\$1,614.25) collected in fees and interest, as represented by "Schedule A," attached hereto, and to provide the Division with written evidence of said refunds; and,
- b. Pay a civil penalty of one hundred dollars (\$100.00) per violation, for a total penalty of two thousand five hundred dollars (\$2,500.00).

14. The Division and Tillman hereby agree that Tillman may apply any interest and fees collected from his customers in violation of the Title Pledge Act, as represented by "Schedule A," attached hereto, towards any principal that may still be owed by said customers on their respective title pledge agreements. In order to apply interest and fees to principal under this paragraph, Tillman must, within thirty (30) days, provide the Division with a sworn statement attesting to the balance on each applicable agreement, notify the borrower in writing of the reduction in principal, and provide the Division with a copy of each said borrower notification.

15. The Division and Tillman agree that Tillman shall pay the civil penalty referenced in paragraph fourteen (14), above, over a six (6) month period; provided, that Tillman shall pay an additionally penalty of five percent (5%) of the penalty agreed to above, for a total civil penalty to be paid of two thousand six hundred and twenty-five dollars (\$2,625.00). It is agreed that Tillman shall make minimum monthly installments

of four hundred thirty-seven dollars and fifty cents (\$437.50), due by the first of each month, effective with the first month following entry of this Agreed Order; provided, however, that nothing contained herein shall prevent Tillman from paying off the balance of the civil penalty at any time, and also provided that the failure to timely make a minimum monthly installment shall cause the entire remaining balance of the civil penalty of two thousand six hundred and twenty-five dollars (\$2,625.00) to be immediately due in full.

16. Tillman hereby understands and agrees that his failure to timely make a refund or a minimum monthly installment payment as provided above, and/or his failure to otherwise pay off the entire civil penalty balance of two thousand six hundred and twenty-five dollars (\$2,625.00) in the time provided, shall constitute a breach of this Agreed Order, upon which event the Division shall be released from its promises and obligations set forth herein.

17. Tillman further understands and agrees that his failure to timely make a refund or a minimum monthly installment payment as provided above, and/or his failure to otherwise pay off the entire civil penalty balance of two thousand six hundred and twenty-five dollars (\$2,625.00) in the time provided, shall constitute sufficient grounds under Tenn. Code Ann. § 4-5-320 and Tenn. Code Ann. § 45-15-107 for the summary suspension, pending full payment, of any then-current license issued to Tillman under the Title Pledge Act.

18. It is understood and agreed to by Tillman that this Agreed Order constitutes a final settlement of the administrative enforcement action initiated by the Division, but in no way precludes additional proceedings by or on behalf of the

Department for any breach of this Agreed Order, or for any acts and/or omissions not specifically addressed herein.

19. It is understood and agreed to by Tillman that, by entering into this Agreed Order, Tillman expressly waives all further procedural steps and expressly waives all rights to seek judicial review of or to challenge or contest the validity of this Agreed Order.

20. It is further understood and agreed to by Tillman that, by entering into this Agreed Order, Tillman is permitting the Administrative Procedures Division and/or Judge Pogue to enter this Agreed Order without further process. In the event that this Agreed Order is not entered for any reason, it will be of no force or effect for either party.

21. Based upon the foregoing agreement and representations, and for good cause shown to me,

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

a. That, within thirty (30) days of the date below, Tillman shall refund directly to his customers the one thousand six hundred fourteen dollars and twenty-five cents (\$1,614.25) collected in fees and interest, represented by "Schedule A," or apply interest and fees collected towards unpaid principal, as provided above, and shall further provide the Division with written evidence of said refunds or application to principal;

b. That Tillman shall pay to the Department a civil penalty in the amount of two thousand six hundred and twenty-five dollars (\$2,625.00), no later than six (6) months from the date below, in the manner agreed-to above;


c. That the failure by Tillman to make refunds or pay the civil penalty as ordered shall constitute a breach of this Agreed Order and shall be sufficient grounds

under Tenn. Code Ann. § 4-5-320 and Tenn. Code Ann. § 45-15-107 for the summary suspension of any then-current license issued to Tillman under the Title Pledge Act;

d. That Tillman shall strictly comply with all of the terms and conditions of this Agreed Order and henceforth, shall strictly comply with any and all applicable laws promulgated pursuant to Title 45 (Banks and Financial Institutions); and,

e. That Tillman's full performance of all obligations under this Agreed Order shall represent the complete and final resolution of, and discharge with respect to, the administrative action brought by the Division against Tillman.

This Agreed Order **ENTERED** and effective this 24TH day of SEPT., 2008.


Leonard Pogue
Administrative Judge

Filed in the Administrative Procedures Division, Office of the Secretary of State,
this 24TH day of SEPT., 2008.



Thomas Stovall, Director
Administrative Procedures Division

AGREED ORDER APPROVED FOR ENTRY:


Michael Igney, Assistant Commissioner
Tennessee Department of Financial Institutions
414 Union Street, Tenth Floor
Nashville, Tennessee 37219
Tele: (615) 741-3186
Fax: (615) 532-1018

9-23-08
Date


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Derek B. Church, B.P.R # 024946
Staff Attorney and Drafter of this Order
Tennessee Department of Financial Institutions
414 Union Street, Tenth Floor
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Tele: (615) 741-5961
Fax: (615) 253-1875

09/22/08

Date



Limuel Tillman
AAA Auto Title Pledge

7/15/08

Date

To: Ber

2 Pages

Agreed Order
In the Matter of Limuel Tillman, d/b/a AAA Auto Title Pledge
Schedule A

Title Pledge Refund Amounts

<u>Customer Names</u>	<u>Refund Due (\$)</u>	<u>Agreement Number</u>
Allen, Tyrone	60	470
Alston, Gwenda	0	510
Baty, Jr., William	76	497
Braden, Jerome	25	271
Brewer, Canary	40.25	381
Brown, Ramona	84	461
Conley, Stephen	86.2	469
Doss, Elizabeth	40	475
Goode, Cheryl	92	93
Jones, Dianne	68	477
Langedoc, Franc	155	40
Lee, Doris	34.4	464
Nelson, Bernard	32	366
Nichols, Kenneth	85	479
Paux, David	264	484
Perry, Edward	0	512
Thorpe, Lula	0	370
Turner, Bessie	142.4	433
Wade, Tim	330	133
Total Refunds:	1614.25	

I hereby affirm to the best of my knowledge that the above amounts are true and correct representations of the fees and interest collected relative to said Agreement Numbers on and between November 1, 2007 and December 13, 2007:



Limuel Tillman d/b/a AAA Auto Title Pledge



Date



Derek Church, Esq.
Counsel for the TDFI Compliance Division



Date

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FINANCIAL INSTITUTIONS